

About mix market economy

[Economics](#)



A mixed market economy is one where decisions are created by producers and consumers, but the administration does have a position in the economy. Market forces conquer in mixed economies. Command economy is a planned economy, where the government regulates what is mass-produced and in what amounts. The individuals own the means of manufacture and decide what will be produced rendering a plan built upon what the state calculates to be people's need and desire for various goods and services.

Is an economic system that includes a variety of private and government control, or a mixture of capitalism and socialism. There is not one single definition for A mixed market economy is a type of economy system that includes elements of both the market and the planned economies. It includes an assortment of private and public enterprise, which replicates characteristics of both capitalism and socialism.

Advantages of mixed economy system for government and private enterprises

1-There is less inequality of income because intent of government is to have a balanced economic growth of an economy. 2-Mixed economy allows individuals to run their business and make profits but at the same time it places some responsibility on these companies by inducing them to contribute towards the welfare of society.

Disadvantages of mixed economy

1-it leads to lower than optimum use of the resources because government mobilize the resources towards the production of those goods and services which are beneficial for the society as a whole rather than producing those

goods and services which in economic terms are more beneficial for an economy. 2-Under mixed economy private enterprises have to face lot of difficulty because of various government weakness like favoritism and bureaucratic nature which is prevalent in mixed economy. Mixed economy

Some private businesses, driven by profit. Some controlled by government
Private: mobiles, cars, computers Essential services: police, fire service, defence, social services. Goods and services which can benefit both consumer and society(merit goods) Taxes to the government Government places limits on the nature of business activity: restricting monopoly, control pollution from factories.

Advantages

State provides the essential services Private sector encouraged for profits
Competition keeps prices low Consumer choice Inefficient business behavior controlled

Disadvantages

Heavy taxes reduce incentives to work hard or make profits Less efficient than private sector Excessive control over business activity can add costs and discourage enterprise

The mixed economy refers to such an economic system wherein two the sector exist and function for achieving national objectives. The two sectors are the public sector and private sector. Both these sectors exist and function for achieving national objectives. Both these sectors make the economic system of the country. In fact the mixed economy is the happy combination of private enterprise with government enterprise on the one

side there is freedom of enterprise, private ownership and profit earning. On the other side there is government guidance and control so as to stop evil economic, pressures. In order to remove the effects of the capitalistic economy, mixed economy has been introduced. It prevails in most of the countries of the world.

Advantages

The mixed economy is helpful in increasing national production in the country. Both public and private sectors work hard to bring about more production. The problems created by free enterprise and too much public control are solved through mixed economy. It provides freedom of enterprise ownership and profit earning as well as social welfare and political freedom. And all the national recourses are utilized under mixed economy.

Disadvantages

Mixed economy is half way house. It is not helpful in achieving optimal use of national resources. The mixed economy suffers from the drawbacks of both the capitalism and the socialism. Mixed economy seldom achieved progress. It suffers from continues back wardness. Under mixed economy wastage of different types occurs in the economy.